PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

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December 22, 2004.

mita Johnson

Appl No.

: 10/697,575

Confirmation No. 8330

Applicant

: N. Bruce Moore, et al.

Filed

: October 30, 2003

Title

: THREE-DIMENSIONAL STEERING TOOL FOR CONTROLLED

DOWNHOLE EXTENDED-REACH DIRECTIONAL DRILLING

TC/A.U.

: 3672

Examiner

: Jennifer Hawkins Gay

Docket No.

: 51306/WGM/W277

Customer No.: 23363

AMENDMENT

Mail Stop Amendment Commissioner for Patents

P.O. Box 1450

Alexandria, VA 22313-1450

Post Office Box 7068 Pasadena, CA 91109-7068

December 22, 2004

Commissioner:

In response to the Office action dated September 17, 2004, please amend this application as follows:

Amendments to the Specification begin on page 2 of this response.

Remarks begin on page 3 of this response.